

## Issues involving Taxpayers' Rights – the development of “soft law”

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## What are taxpayers' rights?

- **Primary legal rights** eg tax by law
- **Secondary legal rights** eg assessment
- **Primary administrative rights**  
eg privilege for accountants' working papers
- **Secondary administrative rights and principles of good practice**

## Principles of Good Practice

- **Administrative process**
  - Timely responses
  - Decisions with reasons
- **Principles of Good Practice**
  - Service charters
  - Performance measures
  - Business plans

## The origin of “soft law”

- Self-assessment
- Voluntary compliance
- Revenue targets
- Resource constraints
- Beneficial results

## Constraints

- Independence
- Resources
- Governance
- Practice standards

## Examples

- **Malaysia**
  - Advance rulings
  - Investigation framework
  - Audit framework
- **South Africa**
  - Cultural transformation to meet targets
- **Netherlands, US and Ireland**
  - Ongoing, real-time auditing

## Conclusion

- Rise of “soft law” is inevitable
- Investors beware
- Identify the opportunities
- Take advantage of “soft law” options